Get knetted: network behaviour in the new economy

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The widening knot

“Any form as long as it connects”, might be Henry Ford’s answer to how tomorrow’s businesses should be designed. The new and much heralded network economy is upon us. The traditional corporate model of business is about to be fossilised by the web. Knowledge networks, referred to throughout as knets, have become the ubiquitous and pervasive framework through which the human race will morph its way into the twenty-first century.

The cultural and behavioural changes brought about by networking are already evident. The terminology originally developed by network designers in describing their LANS, WANS, hubs, nodes, interfaces, traffic, protocols, parallel processing and neural networks has created a new cultural lexicon. Technoculture has given us “information space” and it is into this space that society is rapidly moving. We have adopted a new cultural lexicon, inserting terms such as “wired”, “on-line”, “plugged in”, “surfing”, “browsing” and “cyber”-everything into our vocabularies. The literati that sprouted from the technology of the Guttenburg press and gave us an industrial lexicon first evident in the Victorian novel is transforming into the digerati of the new economy. No-one dares to be found “netiquette”-wanting as we work to master life on screen. We all now rely on virtual analogues that bridge our old and new reality, shielding us from a strange and incomprehensible world; the digital, parallel universes on which we already depend. The network is not just the domain of the virtual electronic present. It is now our future socio-economic model.

By design, knets are a framework for enhancing improved collaboration, built as they are on principles of mutuality and trust. Within knets, people are human beings rather than human resources. Relationships are the investment vehicle, creating the glue for...
progressive leverage of the powerful, collective intelligence that lies in multiple, connected nodes. Knets not only challenge the way we make sense of the world, but also challenge the way we make sense of ourselves. Knets aim to link technical capability with human capability, creating a rich mix of intellectual, structural and customer capital.

From OB to NB

Organisational behaviour within the corporate model has prescribed boundaries in the form of institutions, functions, disciplines, authorities and individual norms. The preferred approach has been to dissect and divide in order to align with the scientific reductionism favoured by the old, technocratic elite of management. Adapting to the new environment of network based business models necessitates a move away from familiar organisational behaviour to a new behaviour – network behaviour. Network behaviour (NB) requires a different mind-set, a mind-set that transcends boundaries and realises our aptitude for connecting with others (Palmer, 1998a), whether at personal, group or enterprise levels. The NB mind-set switches our traditional perceptual bias from discrimination to relationship. Ever since Aristotle, we have preferred neat logic, working to discriminate our world into fixed and specialised categories. It creates less flux and anxiety to focus on things we can readily figure and to screen out the rest as irrelevant or illogical background. In contrast, NB assumes a borderless world where things are possible, even probable but never certain. What’s the point in keeping it sure and simple when it is no longer sure and simple. The emphasis in NB is on linking, achieving convergence and integration with the divergent and diverse. Opportunism is required to navigate the messy complexity of www.com.

Ghoshal (1997) sounded the call to arms for organisations to prepare for change:

Companies are trying to implement their sophisticated, multi-dimensional third generation strategies through their de-layered, horizontal second generation organisations – but they are trying to do that with first generation managers – managers whose personal sense of their roles and value-added and whose personal skills and competencies have all been shaped by an earlier, outdated model.

A cautionary note for extending the network argument too far was provided by Mulgan (1997). In Connexity, Mulgan describes how the attraction for networks and the self-organisation implied can be naïve:

Complex adaptive systems need some hierarchy of organisation because challenges . . . may be beyond the capacity of the subsystems to respond. The role for higher authorities is not to engineer the system, or to monopolise the power and knowledge, but rather to perform the roles that lower elements are unable to perform: watching out for threats, averting disasters, resisting parasites and taking responsibility for the future.

This balance between connection and direction resonates with the emerging view of how organisations should evolve. Mulgan sees self-organisation as a model of freedom within a shared structure, of strength through cooperation and of leadership that is more like being a servant than a boss.

Who’s in charge?

Yet findings from our own work on self-organising teams highlight a subtle distinction to Mulgan’s view. We agree that complex adaptive systems rely on an intelligence that is greater than the sum of the parts but advocate that much of this intelligence can come from the parts working together in an open and altruistic way. The “higher” authority necessary for directing complex adaptive systems is a dynamically shared feature of the system, not a separate layer of hierarchy as proposed by Mulgan. In fact, complex adaptive systems cannot be directed, only disturbed (Holland, 1995). The potential of knets remains unrealised not because of too much freedom and lack of control but rather through the absence of NB enablers that would ameliorate this binary distinction.

For example, the business need to innovate has presented managers with the perennial dilemma of simultaneously wanting to control but needing to unleash. Self-organisation through networks allows at least part of this conflict to be resolved. Observers in the field of knowledge management believe that while managers may be tempted to intervene in newly recognised “communities of practice”, any intervention would result in the communities’ demise (Chase, 1999). This is the knowledge management equivalent of the paradox of Schrödinger’s cat.
These conflicts point to contradictions in thinking about knets brought about by the yet incomplete transition from the rhetoric of hierarchy to the rhetoric of distributed systems. On one page in *New Rules for the New Economy*, Kelly (1998) tells us first that “Without some element of leadership, the many at the bottom will be paralysed with choices” and secondly “when it comes to control there is plenty of room at the bottom . . . peer based networks can do far more than anyone ever expected.” Clearly the threshold of self-organisation has yet to be discovered.

Inadequate social wiring

Bumping into this threshold is unlikely while the old model is being perpetuated by the persistent reluctance of people to let go of the anchor of control. This lead to our view, expressed many times, that: “Our technological capability has outpaced our social capability. This makes us look like social incompetents in charge of increasingly under-utilised knowledge” (Richards, 1998). As Albert Einstein said: “It has become appallingly obvious that our technology has exceeded our humanity.”

The tendency to focus on the technological at the expense of the human is perpetuated in the latest works of the Internet sages. Kelly (1998) describes a world that “is intensely interlinked one . . . that is rooted in ubiquitous electronic networks.” While recognising that “the new economy” favours intangible things (ideas, information, and relationships), there is insufficient enquiry and investment committed to the social wiring needed to up-hold these network relationships. Both Kelly and Mulgan seem to imply that from technological connectedness human connectedness will naturally follow.

Negroponte (1995) was the first to observe that the move from the old to the new economy was based on the shift from atoms to bits. Like digital economies, human beings may be reducible to an underlying code but this does not make their behaviour either binary or predictable. Neither atoms nor bits describe the capricious, emotional and infinitely variable nature of people. Yet this volatile, irreducible, humanness holds the key to the connective adaptability businesses now require. Describing our new reality as a shift from atoms to bits perpetuates the dominance of the technological metaphor over the human metaphor as a way of making sense of our social world. Patricia Hewitt (1998) cautions us, “It is argued that as you spread information downwards and outwards, you make possible much greater knowledge, creativity and responsibility among front-line and lower level workers technology may and does enable the construction of those relationships across the world, but without an effective understanding of how people create and maintain relationships, the potential of the technology is unfulfilled.”

NB: a social-ware diagnostic

The remainder of this paper is concerned with social wiring. It reports on how people create and maintain relationships. It focuses on how people behave with regard to networking at an individual level and how this behaviour translates into network capability at the organisational level. The results shown are a collation of the responses to a Web-based quiz found at our web site, www.einteractives.com. This questionnaire is a smaller, illustrative version of a diagnostic tool employed by Interactives when consulting in organisations. This tool is based on a framework developed by Joy Palmer for assessing organisational connectivity (Jones *et al.*, 1996). A similar tool has also been used with several hundred managers over a number of years in a tutoring capacity at Ashridge Management College, UK. This tutoring experience supplements our interpretation of the Web study findings.

The findings shed light on:

- the preferred behavioural orientations of individuals;
- how readily these preferences are translated into NB at the organisational level;
- what behavioural factors and what organisational enablers are important for building strong knets.

Visitors to the Web-site are invited to complete a two-part quiz:


The quizzes are provided for illustrative purposes below. Initially developed for communication with web visitors, they do not
claim academic credentials. We are simply reporting the voices of over 140 people around the world who were curious enough to click onto a page about knets. Collated together these voices provide an initial population view of both individual beliefs on networking (knetting) and views on the collective capability in their business (knetted).

The results provide a view of:
- the range of responses, and
- the mean position for the population as a whole.

for both organisational capability and for personal beliefs. This gives a unique perspective on the variability of NB and the degree of convergence between organisational capability and individual networking orientation.

Knetting quiz – personal orientation

- The best results are always achieved by following the proper channels of authority.
- I regularly develop networking contacts external to the organisation.
- The bulk of my internal communications are informal and verbal.
- The success of a network is based more on personal effort than organisational control.
- Locker room/smoking room discussions are unfair and discriminatory.
- I acknowledge the existence of the network.
- The influential manager ignores the myths and stories that circulate in the organisation on the grapevine.
- Human networks are a central route through which we can begin to work the informal system.
- Influencers must not associate with informal “gossip”.
- The majority of network discussions are non-work related.
- People seek me out to let me know what is going on.
- I maintain my contacts for support rather than expertise or shared working.

Knetted quiz – organisational capability

- Everyone in the organisation generally knows what contribution they make to the whole.
- I believe better results are obtained by involving everybody in the problems.
- All too often, I don’t know what my counterpart in another part of the organisation is doing about things that affect both of us.
- There is a lot of latitude in the organisation for individuals to define the future.
- Information is power.
- Most people don’t ask why they are doing something in a particular way.
- The best use of my knowledge is through the group’s interactions.
- My job depends not so much on titles or activities, but on what sort of position I can carve out for myself.
- Managers place value on the opinions of people.
- I don’t think many people below senior management really understand the organisation’s objectives.
- In this organisation, I keep new ideas to myself until I’ve proven they work.

Both of these sets of questions can be answered as either “agree”, “disagree”, or “both”. When the quizzes are completed they are submitted by email for processing and the results are returned to the respondents within one week. The results are presented on two separate $2 \times 2$ matrices that allow respondents to compare their own personal attitudes and beliefs towards networking with the networking capability they believe is demonstrated by their organisation.

Knetting – individual types and drivers

The results of the knetting (personal beliefs) quiz are plotted onto a $2 \times 2$ matrix that illustrates the Purpose of the respondent’s network (power through to support) on the x-axis against the Mode of communication (closed and formal to open and informal) used in the network on the y-axis. The quadrants are summarised as four personal network orientations:

1. the Company Agent (lower left);
2. the Disconnected Islander (lower right);
3. the Knetworker (upper right);
4. the Web Master (upper left).

The Company Agent knows his place and guards it furiously albeit often in mysterious and unseen ways. Defender of their position in a part without really studying the needs of
the whole, company agents prefer things to be in well-defined boxes. Here are shades of Ghoshal’s first generation manager; action is usually rear-guard. The company agent works well in a predictable model where the orientation is steady state control; tends to connect only upwards and down into their own territory.

The Disconnected Islander tends to be one of life’s free thinkers and seeks out experiences that will enhance personal understanding of their field. Unfortunately, they remain disconnected from others believing there is little value in sharing. Their mission is usually personal and any attempt to link this to the mission of a project or enterprise is met with dismay and avoidance. Disconnected islanders make up the classic herd of cats.

The Knetworker desperately seeks solutions and sets no limits in building the connections needed to bring the right resources on the opportunity to be realised. Knetworkers thrive in unstructured problem solving environments. Purpose is what counts and in fulfilling purpose Knetworkers build inclusive links. Talent is the edge and teams are king. Knetworkers understand that teams ebb and flow as circumstance and purpose changes. The best is always yet to come.

The Web Master has charismatic allure and sucks resources to a centre rather than encouraging them to move freely through the knet. Purpose counts and is often shared, but it is driven by the web master’s agenda. It is often hard to see the links, the web master’s invisible connections who seem to get things accomplished. These connections are exclusive. You are in with the web master or out.

**Knetted – organisation types and drivers**

The knetted quiz (organisational profile) plots a respondent’s view of the Discretion exhibited (from high control to high autonomy) along the x-axis and the respondent’s view of the degree of Integration along the y-axis (ranging from highly fragmented to highly integrated).

Results are plotted on a $2 \times 2$ matrix whose quadrants broadly represent four organisational types:

1. the Bureaucracy (lower left);
2. the Island Nodes (lower right);
3. the Knet (upper right); and
4. the Power Web (upper left).

The Bureaucracy is the first generation manager’s home. They exhibit high levels of control and subtle resistance to change. Come up with a breakthrough approach and watch several committees almost silently kill it. Conflict is avoided and procedures are usually formal, standard and centralised. There is an emphasis on hierarchical authority. When this organisation faces an adaptive challenge the response is usually to tighten controls and put in even more layers of authority. NB is low in bureaucracies and freedom is limited. Structure and internal competition for specialist resources inhibit collaboration. Protocols encourage people to rely on “proper” (usually upward) channels. Decisions are as good as the intelligence at the top. Responsiveness is tied to the speed at which information travels up and then back down. The high NB individual finds this environment frustrating. Talented people either work to subvert the formal system or they leave, often to set up enterprises of their own.

The Island Nodes profile is characterised by high fragmentation of usually highly intelligent resources. Self-organisation of the parts is evident and emerges from the discretionary style. However because people are left to do their own thing, the organisation does not always add up to a sum that is greater than the parts. This type of organisation may be slow to spot an adaptive challenge at the enterprise level. Whilst potentially this model is highly re-configurable, cross-capability platforms and initiatives often fail to develop. This is often due to the absence of integrating processes and a culture that is person-centred without being connective. The high NB individual is likely to have a greater chance of building external links around particular objectives rather than mobilising all capabilities to strategic network intent.

The Knet is highly integrative and achieves this through a relatively informal and discretionary style. There is no controlling centre. Sophisticated integrating processes and systems pull together knowledge and give transparent feedback to the parts. Progress is the mission and this is usually to be achieved in a mutually reinforcing way. What distinguishes knets from more traditional project team cultures is the emphasis on social as well as task integration. There is recognition that knowledge has it roots in human learning and that this learning does not follow the rules of any machine. High NB individuals prefer to
operate in this kind of challenging environment and they accept the risks of underachievement. The potential downside is that there is so much emphasis on progress that people forget to take time out for personal reflection and growth. The end tends to justify the means. Strength of commitment can lead to burn out in the players. The challenge for knets is to maintain sufficient levels of integration as the enterprise grows without losing flexibility and adaptiveness.

The Power Web is controlled by an élite, although usually in a friendly and informal manner. The spirit is entrepreneurial. Bureaucratic systems are avoided, as is the formal validation of protocols. High NB individuals can flourish in the power web because role specifications are flexible and the spirit is exciting and enabling – so long as you are a valued member of the group. New entrants tend to make quick progress once sponsored by a member of the élite. Power Webs have both gatekeepers and moles. Surviving an adaptive challenge depends on the intelligence of the élite and its ability to test external reality against the often, outdated truths perpetuated by the inner sanctum.

**Click, click – who’s there?**

The majority of the respondents to the web quiz are employed in knowledge-based industries such as telecoms, computing, education and professional services (management consulting, technology based consulting and information services). From the management consultancy sector, the majority of responses are from a London based management consultancy group within one of the Big Five firms. This group is tackling issues that are representative of the change pressures that many such groups are facing: the need to operate globally, the need to capture and transfer knowledge, the need to form external relationships and alliances, the need to escape from yesterday’s successes which have become today’s rigidities. Driven by the energies of dynamic new management and the enthusiasm and talent of capable teams, the overtly hierarchical management structures are giving way to a more open and entrepreneurial approach. They realise that an understanding of their current networking capability is an indicator that points to their acceptance of the need for change.

Figure 1 outlines the distribution of respondents by industrial sector.

Of the 134 responses used as the data for this paper, 111 are derived from an analysis of a business whose focus is on technology services. Despite the bias that this could have introduced, the mean responses of the technology services group were not significantly different from those of the others. Consequently, all responses were treated as a single population for this report. Figure 2 illustrates the difference between the two sub-populations and the total group of all respondents. The matrix used in Figure 2 is dimensionless in terms of its axes to allow both knetted means and knetting means to be compared.

**What did they tell us?**

The comparison of means shown in Figure 2 outlines the similarity of responses between the larger group made up of 111 respondents from the technology services sector (“Technology” in legend), the smaller sub-group of respondents (“Sub-group” in legend) from all other sectors and their combined mean response (“All” in legend). The knetted means (lower left-hand quadrant) show very similar positions while the Knetting means show a slightly wider spread. Despite this minimal variance between the set of means for the knetting responses, the over-riding feature of this analysis of the means is that all respondent groups map onto the matrix in broadly similar positions for each quiz. This appears to validate the method that is used throughout the interpretation of the results in this paper that the population can be analysed as a single group for top-level trends and issues.

The purpose of the web site is to catalyse movement toward an understanding of NB. Our view is that without tacit and explicit understanding of the network morphology and its social wiring by the people on which it depends, the quality of life and the quality of work in the new economy will suffer. There will be more fall out than is necessary. To this end, the network quizzes were developed to give web visitors three views – two of where they are right now and a view of a possibility to reach for.
The personal view

The Knetting quiz represents the self-reported beliefs perspective. Figure 3 illustrates the range of responses to the Knetting quiz (overlaying of points by the charting software makes the number of points appear to be less than those entered).

The results shown in Figure 3 illustrate the following key issues:

- 89 per cent of all people responding to the Knetting quiz believe that they have a networking orientation (upper right quadrant).
- 7 per cent of the responses indicated that the purpose of their informal networking approach was power (upper left quadrant).
- Few people (2 per cent) believe that their networking focus is dependent on formal relationships and is mainly in place to secure power.
- Even fewer people (1 per cent) stated that their personal networking approach used a formal mode of communication that secured support from the network.

The organisational view

In responding to the Knetted quiz on the website, people are asked to give their view on their organisation’s networking capability. The responses to this quiz have been mapped onto a matrix to create an organisational profile as shown in Figure 4.
The results shown in Figure 4 illustrate a number of key issues:

- Most people (83 per cent) do not believe that their organisations demonstrate NB.
- Most people believe that their organisations are either “typical” bureaucracies (39 per cent lower left quadrant) or autonomous and highly fragmented island nodes (39 per cent lower right quadrant).
- 5 per cent of the people responding believe that their organisations have a high level of inter-unit co-operation but are still hierarchical and controlling.
- Only 13 per cent of all people responding believed that their organisations had a networking orientation.

The panorama: differences between the views

While the individual data points for the responses to the personal beliefs quiz (Figure 3) and the organisational quiz (Figure 4) show a degree of overlap, there remains a clear distinction between the means of the two populations. The means of both sets of data are shown in Figures 3 and 4 by the diamond symbols. The mean of the responses to the organisational quiz maps into the lower left hand quadrant, indicating that the population as a whole would categorise current organisational capability as bureaucratic. Although the same percentage of responses (39 per cent) categorised the organisational capability as the type known as island nodes (lower right hand quadrant), these data points tended to score as less extreme positions. Additionally, many of those mapping into the bureaucracy (lower left quadrant) category scored as very extreme positions, moving the average of the two lower halves of the matrix to just inside the bureaucracy category.

Wasted assets

The two means shown in Figures 3 and 4 provide a unique perspective on how organisational capability maps onto the personal beliefs of those people working in an organisation. The difference between the means suggests that the majority view is that organisations do not have a network capability, but that on the whole people in organisations believe that they do have a network orientation.

Clearly assets are being wasted. A high preference for knotting in individuals does not automatically result in the creation of a knet. So what forces are at play to cause this waste?
This question takes our enquiry into the relationship between individual and organisational capability and the links between the behavioural competences of individuals and the core competence of the enterprise. Our findings imply that:

- The first generation manager has been replaced or is in denial about real personal preferences, expressed as a halo effect in the self reported quiz responses.
- Individuals may be culturally trapped in straight jackets of old organisational behaviour which suppress their preferred personal style, i.e. they are reluctant first generation managers.
- First generation managers may be not so much the problem as the failure of businesses to realise their second-generation designs.
- All of the above have come into play in a negative rather than positive dynamic as the landscape of business adapts to the logic of the network economy.

The downside is that the dominant organisational form does not play to the innate desire of most people to work in open, sharing, knowledge creating environments. The upside is that this desire is there to play for. Clearly, some of the responses to the organisational capability quiz indicate that particular organisations do have a network capability. However, in all cases, the personal beliefs quiz always marked personal networking orientation higher. These are threads with which to weave a rich fabric of connectivity.

The following example highlights the issues that such a mismatch between personal beliefs and organisational form can create. Fictitious names have been used to mask the identity of a real company and its people in this case study.

**Case study: Knet values at NewTech**

NewTech is a technology company that creates technology applications secured by intellectual property. The scientific research on which these applications are based is carried out both in-house and sourced through their international network of collaborators. The prominence of “networking” in both their in-house research through project teams and as a means of sourcing out-of-house science and technology prompted the senior management team to adopt “networking” as a core value. The recent change from their status as a state-owned and state-run public laboratory to a private sector enterprise implied a number of changes in process, culture, style and values that might be accommodated by a transition to networking.
After completing the web site network quiz himself, the general manager of business development for NewTech, Mike Fox, appreciated the way in which this illustrative tool could be used to validate their emerging value system. Mike corralled all of the science and technology teams and business development managers from 13 different groups across three geographically separate sites to complete the web site quizzes. This coincided with an existing effort to improve communication and project management within the research teams.

The study was encapsulated as an “internal benchmarking on networking” for NewTech. NewTech stated that their goal from the study was “to create a simple guide to:

- indicate what behaviour change was necessary;
- provide a base for measuring change;
- promote discussion and thinking about networking”.

Significantly, the third point in NewTech’s stated goal was achieved by virtue of the discussion that the quiz itself stimulated. Many people were resistant to the process at least in part because of the new vocabulary of networking presented in the quiz. Mike Fox supported the on-site preparation of people for the quiz by outlining the reasons for doing it and discussing issues about the quiz as they arose with people.

When NewTech had initiated discussions with Interactives about using the quiz for a significant proportion of its people, networking had already been implicitly adopted as a core value by Mike Fox. Mike believed that their business, capabilities and geographical dislocation meant that networking as a process orientation had to be effective in order for their business to succeed. The results that were generated by the analysis of 111 responses from NewTech people challenged the basis on which Mike and his peers could continue to develop the company’s value system around networking. While almost all of the people who completed the quizzes believed themselves to be effective networkers (most Knetting quiz results mapped into the top right quadrant), they did not believe that the organisation had a network capability (most Knetted quiz results mapped into the bottom left [bureaucracy] and bottom right [island nodes] quadrants).

Mike had already accepted the intuitive plausibility that the scientists, technologists and business managers involved in transferring science into technology applications and those applications into commercial opportunities should find networking a preferred style, especially between peers. However, the indication that they believed the organisation to be either bureaucratic or composed of island nodes was more worrying. Mike and his management team were interested in determining the cultural drivers for this apparent split. Furthermore, given the management team’s focus on networking as leading edge in the emerging value system, and the overwhelming personal alignment to a networking orientation by the majority of the people who completed the quizzes, understanding the mismatch was critical to future development of the organisation. Not only this, but the credibility of any programme of work aimed at establishing the value system for the organisation and its people would be undermined if the people were known to have divergent values.

Clearly, some form of collaborative realignment of the organisation and its people was necessary if they were to achieve the networking goal they had set themselves. NewTech has now embarked on a programme aimed at identifying the core values and working with their people towards those values.

As Doz and Hamel noted, “Networks bring not only information but also a priori trust, a key ingredient in alliance building”. In the absence of network behaviour, the value sought from network alliances and collaborations will remain bold visions. The IC² Institute at the University of Texas at Austin has extended the vision to describe how networks can become the vehicle for enabling not only large, established organisations but also start-ups. The defining feature of these networks will be a behavioural change to shared knowledge, collaboration and investment in relationships (Gibson, 1998).

For NewTech, the future value of their strategic alliances will be determined by the strength of their internal knet.

Even in an illustrative form, the network quiz provides an insight into network behaviour and capability. This is currently missing from many organisation reviews and knowledge
audits. The experience of this case study and the responses of other visitors to the web-site have shown how tools like these are essential for helping knowledge managers and practitioners of organisational design. Supported by an array of NB oriented tools a more thorough understanding of the social forces and drivers can be generated.

**Intelligent networks need NQ**

In times of confusing change people tend to hang on to their identities. Given the pattern of deconstruction so prevalent in the latter half of this century it is our personal and role identities that have become the main holding stations through which we organise meaning.

The new economy threatens to destabilise identity further. As it decomposes traditional organisations it erodes clear roles. The common way of dealing with this is to retreat further into personal, individual identity. Hence, Castells’ observation, “Our societies are increasingly structured around a bipolar opposition between the net and the self” (1996). The net effect of this is not greater human connectivity but increased personal isolation. The worst case scenario is of large scale power-webs, whose masters switch on and off their communities, manipulating meaning according to the transactional benefits to be gained.

If network behaviour is to replace traditional organisational behaviour then the knowledge management agenda must tackle the potential for deeper social fragmentation that is inherent in technological networks. Our concept of NQ (network intelligence) has been developed to address this risk. NQ is described as the capacity for connecting to others (Palmer, 1998b). Like EQ, the measure of emotional intelligence introduced by Goleman (1995), NQ looks beyond our classical treatment of human intelligence (IQ). NQ gives us the ability to make sense of experience beyond the narrow confines of specific and fixed identity. It enables us to build human networks based on group phenomena such as dialogue, mutuality, and trust. NQ comprises (Palmer, 1998b):

- **Elan Vital**, an unconquerable spirit of creative enquiry.
- **Openness**, expressed in confident, curious, non-defensive learning.
- **Staying close to the edge**, neither withdrawing from, violating nor seeking to control boundaries.
- **Holding multiple frames**, keeping “in-frame” the full-set of feelings and values between yourself and others and using this emotional information to guide group processes.
- **Self-sensing**, observing yourself and your own self-construction. Being prepared to understand and adapt yourself in terms of others’ experience of you as well as your experience of others.
- **Listening for distinctions**, using dialogue to acknowledge and explore differences in distinctions. Where people are listening from is as important as what they are listening for. Listening for distinctions involves suspending the bias of identity by surfacing the questions you are in.
- **Trusting others**, having hope for mutually valuing relationships. Reaching out to others, dealing with issues of bonding, identification, separation and growth. Trust helps to make our daily efforts feel more connected to humanity and therefore worthwhile.
- **Inclusiveness**, nurturing inclusive rather than exclusive *esprit de corps*. This involves moving away from a climate of “triumph” where achievements are those things that set you apart from others. Inclusiveness acknowledges inter-relatedness. It avoids losers, scapegoats, hate figures and blame.
- **Altruistic contribution**, sharing without seeking self-aggrandisement.

Contra-indicators to NQ show up at individual and enterprise levels. Individuals with low NQ attempt to suppress anxiety about identity by seeking to control or withdraw from ambiguous boundaries. This shows up as:

- the need for personal glory and power;
- keeping self to self;
- emotional outbursts rather than emotional enquiry;
- denial of feeling;
- avoidance of conflict;
- attempts to control rather than explore thresholds.

Low NQ also manifests itself at the group level in attempts to control and manage boundaries across the enterprise. This shows up as:
high numbers of specified roles;
fixed allocation of resources;
reviews controlled by outsiders to the
emphasis on hard indicators;
fixed boundary between the enterprise
and the external environment;
seeing the world as made up of insiders
and outsiders;
creation of power-distance.

If the network economy threatens identity
then it also offers freedom from it. Nihilism
and alienation are not the inevitable conse-
quences of institutional deconstruction.
Multiple, shifting identities become possible
as we interact with more and more commu-
nities on the web. Post-modernist
deconstruction brings the opportunity for
temporary and partial construction. Sherry
Turkle’s research into how college students
use multi-user domains sheds light on the
possibility for us all (Turkle, 1995):
I split my mind. I’m getting better at it. I can see
myself as being two or three or more. I just go
from one part of my mind and then another
when I go from window to window . . . RL (real
life) is just one more window.

NQ, as the driver for NB, enables people to
interact in knets so that they become reflexive
architects, not only of the system but also of
themselves. Get knetted, because, for mean-
ningful knowledge based exchanges, social
interaction is key, not least in mankind’s
virtual new home.

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